

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Lawrence Lake is a planning commissioner for the City of Shasta Lake. Pursuant to Government Code section 87200 and 87203, Lawrence Lake was required to file an annual Statement of Economic Interests ("SEI") disclosing his financial interests held during the 1999 calendar year. Mr. Lake failed to timely file this annual SEI on or before the April 3, 2000 due date.

This case was handled on an expedited basis pursuant to the SEI Expedited Procedures adopted by the Commission in July 1999.

For purposes of this Stipulation, the violation of the Political Reform Act ("Act")<sup>1</sup> is as follows:

**COUNT 1:** Failure to timely file an annual Statement of Economic Interests, in violation of Government Code sections 87200 and 87203.

**RESPONDENT:** Lawrence Lake

### **SUMMARY OF THE LAW**

In order to avoid conflicts of interest, section 81002, subdivision (c) provides that the assets and income of public officials, which may be materially affected by their official actions, should be disclosed and in appropriate circumstances the officials should be disqualified from acting.

Section 87200 lists the specific public officials who are required to file SEIs under provisions of the Act, including members of planning commissions. Section 87203 states that each person holding an office listed in section 87200 must file an annual SEI disclosing investments, interests in real property, and income held since the previous SEI was filed.

Regulation section 18723, subdivision (b)(2) provides that the deadline for filing annual SEIs for planning commissioners is April 1<sup>st</sup> of the following year. Since April 1<sup>st</sup> fell on a Saturday this year, the annual SEIs were due on April 3, 2000.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations section 18000, *et seq.* All references to regulations are to Title 2, Division 6 of the California Code of Regulations unless otherwise indicated.

## **SUMMARY OF THE FACTS**

Respondent Lawrence Lake assumed office as a planning commissioner for the City of Shasta Lake on September 15, 1998. Mr. Lake's annual SEI for calendar year 1999 was due but not filed by the April 3, 2000 deadline.

On July 10, 2000, the Commission's Technical Assistance Division ("TAD") sent a letter to Mr. Lake stating that his annual SEI was not received by the April 3, 2000 deadline, and requesting that it be filed with City Clerk Rae Morrow, the filing officer for the City of Shasta Lake. On August 15, 2000, TAD sent a second letter to Mr. Lake advising that his SEI had not been received, and that the matter might be referred to the Commission's Enforcement Division.

On August 31, 2000, TAD received a telephone call from Ms. Morrow relating that she had spoken with Mr. Lake and that he was aware of his SEI filing obligation. On September 7, 2000, TAD referred the matter to the Enforcement Division.

On September 11, 2000, Investigator Bill Motmans of the Commission's Enforcement Division spoke to Mr. Lake by telephone regarding his failure to file his SEI. Mr. Lake stated that he not filed his SEI because he had not completed his 1999 income tax return. Mr. Lake mistakenly believed that he needed to report his exact income on the SEI form, not just an unspecified amount over the threshold of \$10,000. Mr. Motmans explained the SEI income disclosure categories to Mr. Lake and advised him to file his SEI immediately.

On September 12, 2000, Mr. Lake filed his original 1999 annual SEI with City Clerk Rae Morrow, who forwarded a copy to the Enforcement Division.

## **CONCLUSION**

This matter consists of one count, which carries a maximum possible administrative fine of two thousand dollars (\$2,000.00). The facts of the case justify imposition of the agreed upon fine of three hundred and fifty dollars (\$350.00).